

MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE  
FRIDAY, FEBRUARY 2, 2001, 2:00 P.M.  
Room 223, State Capitol Building

Members Present: Sen. Lyle Hillyard, Committee Co-Chair  
Rep. Afton Bradshaw, Committee Co-Chair  
Sen. Paula Julander  
Sen. Peter Knudson  
Rep. Patrice M. Arent  
Rep. Katherine M. Bryson  
Rep. Margaret Dayton  
Rep. Patricia W. Jones  
Rep. LaWanna "Lou" Shurtliff  
Rep. Richard M. Siddoway  
Rep. Gordon E. Snow  
Rep. Stephen H. Urquhart

Members Excused: Sen. Steve Poulton  
Rep. Martin R. Stephens

Staff Present: Boyd A. Garriott, Senior Legislative Fiscal Analyst  
Debra Headden, Legislative Fiscal Analyst  
Rolayne Day, Secretary

Public Speakers Present: Commissioner Cecelia Foxley  
President Lynn Cundiff, SLCC  
Dr. Richard White, Vice President for Academic and Student Affairs  
Dr. Jerry Day, Snow College  
Interim President Rick Wheeler, Snow College  
Norm Tarbox, Associate Commissioner  
Regent Pamela Atkinson  
Charlie Johnson, Chair, Board of Regents  
Rep. Ferry  
Rep. Gowans  
Dr. Weldon Sleight, USU Extension

Visitor List on File

Committee Co-Chair Hillyard called the meeting to order at 2:01 p.m.

1. Salt Lake Community College/Wireless Pilot Demonstration—President Lynn Cundiff said SLCC, their students, and business and industry have each pledged \$2 million to implement wireless technology that can send audio and video instruction directly to a student's home. Students would purchase a small device to connect with their television that would cost about the same as a textbook. President Cundiff said that for every engineer, ten to fifteen technicians are required and that is who SLCC trains.

The theme *Education at the Speed of Life!* describes SLCC's comprehensive community college mission. There are 24 programs with 20,401 students in academic transfer areas—a 33% increase in five years. They provide concurrent enrollment at 25 high schools (6,026 students)—a 293% increase in five years. There are 105 credit ATE programs (17,163 students) and 15,373 students participate in non-credit ATE programs (681,163 contact hours); 32,536 ATE students account for a 16% five-year increase. They spend \$5 million a year on these ATE programs, \$2.5 million of which is not currently funded but is included in the new funding formula.

After a slight enrollment dip during the semester conversion, enrollments have risen steadily in all programs both credit and non-credit. Three areas that SLCC does well are the Medical Program, Distance Education, and Information Technology areas.

President Cundiff and Richard Rhodes, Vice President for Business, demonstrated the wireless technology. SLCC is requesting a one-time appropriation of \$2 million for their portion of the partnership to pay for the necessary equipment at all twelve sites and to provide training for faculty to work in the wireless environment. Although this technology is currently being used in other areas of the country, SLCC is talking about a different paradigm. They are committed to *Education at the Speed of Life*.

SLCC fully supports the new funding formula and urgently supports the request for compensation and for salary equity. Ninety percent of last year's salary equity money went to their technical staff because this is the hardest area to recruit and retain. The remaining money went to skills areas like electricians. Base adjustments are requested at \$1,023,000, all recommended by the Analyst. Mandated cost requests include fuel/power increases at \$202,400, but the most recent projections put the necessary funding at \$500,000. Mandated costs also include ADA (\$129,400) and Voc. Rehab (\$273,800), motor pool (\$100), and a reduction of \$8,000 for internal service funding.

One-time increase requests include ATE equipment at \$1,080,300, instructional equipment at \$238,500, and the \$2 million request for the wireless technology proposal. President Cundiff said that if the Legislature funds the wireless request, SLCC can grow from 53,000 students to 100,000 without building any more buildings, and that as long as he is president, he will not ask for any new buildings. One caveat to that is the need for a new medical building on the Jordan Campus.

Statewide/national issues in higher education include faculty/staff salary equity, a documented shortage in information technology workers (not just engineers), a shortage of Allied Health workers, and a looming teacher shortage in both public and higher education directly related to salaries.

Rep. Siddoway, Principal of the Electronic High School, said SLCC offers seven concurrent enrollment courses via the Electronic High School and he thinks the wireless technology is an idea whose time has come. President Cundiff said all that is required is a laptop with a wireless card allowing a direct connection. The student could be anywhere in the Valley and in months to come, they could be anywhere in the State as new towers are built. He also noted that it costs one-third less for wireless technology than to hardwire and 90% less to maintain wireless over a wire environment. Students could participate in courses in real time or at a later time, but interaction with the teacher would only be available in real time. Studies in other states indicate that instructors had ten times more contact with students in the distance education environment than in traditional courses.

President Cundiff said a \$300e-book holds 200 books and can also be wireless. Rep. Urquhart asked if distance education students miss out on the give and take of a traditional classroom. President Cundiff said that could be a problem, but SLCC's average student age is 26 and it doesn't seem to be as big a problem for adults who have had life experiences as for freshmen. Most students, however, usually take a combination of online and on-campus courses that would balance the interaction.

Regent Pamela Atkinson urged the Committee not to overlook Allied Technology professions that also have decreased admissions. There is a national shortage of nurses that hasn't hit Utah as hard yet, but if nothing is done, it will.

**MOTION:** Rep. Bryson moved to approve minutes of the January 29, 2001, and January 31, 2001, meetings.

The motion passed unanimously.

2. Snow College—Dr. Jerry Day, Past President, introduced Interim President Rick Wheeler. President Wheeler said students go to Snow College because they care about a quality education. It would help Snow more than anything else to adopt the new funding formula because it levels size issues that drive the budget. Compensation for faculty and staff are crucial issues. The average salary at comparable institutions is \$49,000; Snow's average salary is \$39,000.

Snow's strengths include ATE programs, transfer programs, and the Pre-Pharmacy program. Snow College has still not recovered FTE from the semester conversion mostly because of schedule conflicts with feeder high schools. They are working on that problem and feel it will be solved soon.

Commissioner Foxley distributed a handout on differential graduation tuition as a follow up to the earlier discussion.

3. Health and Dental—Associate Commissioner Norm Tarbox said projected health and dental increases provided to the Analyst in November are too low. Some significant changes are seen from school to school with Snow hit particularly hard. The second page of his handout shows what schools are doing to lower costs, but no matter what they do, the costs are still going up. A consultant reviewed the system and determined that it would be beneficial for five of the institutions to band together in a consortium to solicit an insurance contract. The five schools are UVSC, CEU, SUU, Dixie, and Snow. An RFP was prepared and they are reviewing the three responses.

Eighteen months ago the analysts recommended that there should be equity funding for employee compensation and health insurance costs; that hasn't happened yet. The Regents request that equity for higher education and note that it has been given to the other state agencies.

Analyst Boyd Garriott said they didn't have the necessary figures to make a recommendation on health and dental, so they used the rate increase proposed by PEHP. They recommend a 16.2% increase in health insurance and a 3% dental insurance increase at a total cost of \$6 million. It was assumed that tuition revenues would offset those costs unless it all goes to salary increases.

Mr. Tarbox said SUU has been working intensively with Blue Cross/Blue Shield to keep costs down. Snow's 34% increase was caused by two employees who have cancer; rates are based on claims against the institution. Rep. Urquhart asked why higher education isn't part of PEHP. Mr. Garriott said the fiscal analysts looked into that a while ago, but PEHP was reluctant to admit them because of actuarial viability concerns. He will look into the situation now and invite the Insurance Commissioner and a representative from PEHP to answer questions. Mr. Tarbox noted that there is a dearth of insurance carriers in Utah.

Sen. Hillyard said his inclination is not to fund the entire request because that tends to feed the problem; people must start to take care of their own medical problems. Regent Atkinson advised providing incentives for people to keep and stay healthy. Rep. Dayton said medical savings accounts provide incentive and requested that a qualified person speak to the Committee on that subject.

4. 1<sup>st</sup> Sub. H.B. 236, Higher Education Classroom Costs in Underserved Areas by Rep. B. Ferry—Rep. Ferry said H.B. 236 would provide on-going funding to cover operating costs at branch campuses so that students do not have to pay additional fees to take courses. Dr. Weldon Sleight, USU, said money that should be used for student activities must be used to fund these courses. Rep. Gowans said his community actually built buildings to keep the programs going with the promise that institutions would eventually own the buildings. The communities have to make the payments and need on-going funding. Rep. Snow said there is also inequity in tuition for developmental courses that exacerbates the cost problem for rural areas.

Rep. Ferry said the communities are willing to take the inherent risks in making this a line item. Regent Chair Charlie Johnson said all would be better off if funding was centralized with contracts awarded to the institutions. Dr. Sleight said distance education makes outreach education more cost efficient.

**MOTION:** Sen. Julander moved to adjourn.

Committee Co-Chair Hillyard adjourned the meeting at 4:30 p.m.

Minutes were reported by Rolayne Day, Secretary.